NAVY DEPARTMENT Office of the Chief of Naval Operations Office of Naval Intelligence

In reply refer to No.

WASHINGTON

Op-16-B (SC)A8-5/EF37 Serial No. 0279916 SECRET

OCT 26 1940

From:

Chief of Naval Operations.

To:

Commandant, First Naval District;
Commandant, Third Naval District;
Commandant, Fourth Naval District;
Commandant, Fifth Naval District;
Commandant, Sixth Naval District;
Commandant, Seventh Naval District;
Commandant, Eighth Naval District;
Commandant, Ninth Naval District;
Commandant, Eleventh Naval District;
Commandant, Twelfth Naval District;
Commandant, Thirteenth Naval District;
Commandant, Navy Yard, Washington, D. C.

Subject:

Japanese Espionage, Intelligence, Propaganda and Enlightenment Organizations in the United States.

- 1. Information has been received from a highly confidential source that the Wendall P. Colton Company, New York City, has been used by the Japanese Consul General in New York as a publicity agent and as the central propaganda organ in that area. It is further reported that this Company wishes to cancel its contract with the Japanese due to the present feeling in the United States towards Japan, because it is feared that the finger of suspicion might be pointed at them by the Federal Bureau of Investigation or other organizations for accepting subsidies from a foreign government. The Company wishes to watch future developments and to re-enter into a contract with the Japanese if the trend of public opinion warrants such a move.
- 2. Information being received by this office indicates that all Japanese Consuls in the United States are making very close observations of the United States men-of-war in all ports and making prompt report of the activities of ships, their crews, morale and any indications of United States Navy mobilization activities.
- 3. In view of the urgency of this letter, it is not deemed practicable to forward it by the next available officer courier. The originator, therefore, authorizes the transmission of this document by registered mail within the continental limits of the United States.

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4. It is hereby certified that the originator considers it impracticable to phrase this document in such a manner as will permit a classification other than secret.

W. S. Anderson, By direction.

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CC: F.B.I. M.I.D.

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NAVY DEPARTMENT Office of the Chief of Naval Operations Office of Naval Intelligence

In reply refer to No.

WASHINGTON

Op-16-B (SC)A8-5/EF37 Serial No. 0267316 SECRET

OCT 23 1940

From:

Chief of Naval Operations.

To

Commandant, First Naval District; Commandant, Third Naval District; Commandant, Fourth Naval District; Commandant, Fifth Naval District; Commandant, Sixth Naval District; Commandant, Seventh Naval District; Commandant, Eighth Naval District; Commandant, Ninth Naval District;

Commandant, Eleventh Naval District; Commandant, Twelfth Naval District; Commandant, Thirteenth Naval District;

Commandant, Navy Yard, Washington, D. C.

Subject:

Japanese Espionage, Intelligence, Propaganda and Enlightenment

Organizations in the United States.

Reference:

(a) CNO conf. ltr. Op-16-B, (SC)A8-5/EF37, A8-5/EF37/EG, Serial No. 0175316.

- Information has been received from a confidential source that the Japanese Intelligence Net is being reorganized. In this connection, on about October 10, 1940, the Japanese Consul General in New York was informed that, until the reorganization is completed, no use would be made of Vincent P. Walsh, 122 Revere Road, Munsey Park, Manhasset, Long Island, New York, and Louis B. Ward, 708 Fisher Building, Detroit, Michigan...
- Further information has been received, however, that all Japanese Consulates in the United States have been sent instructions to continue sending information regarding the operation of Communists and the Communist Party in the United States. It will be noted in this connection that Walsh has been referred to in the past as a Japanese Communist spy.
- 3. Highly reliable information has been received to the following effect:
 - (a) On October 1st the Japanese Foreign Minister instructed all Diplomatic and Consular officers in North and Central America to take steps to insure that Domei (Japanese News Agency) made prompt and accurate reports of U.S. reaction, both favorable and unfavorable. resulting from Japan's conclusion of a Military Alliance with Germany and Italy.



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- (b) On the same date Japanese Diplomatic and Consular Officers were instructed to bring to maximum efficiency all agencies for gathering information about the United States, particularly those agencies gathering information concerning U.S. movements involving Japan.
- (c) Shortly after the receipt of the foregoing instructions, the Japanese Consul General at San Francisco expressed the opinion that it was essential that improved facilities for obtaining military-naval information be made available. In this connection he observed that the official status of Japanese Naval Officers assigned to the Naval Attache Office, to the Office of the Japanese Naval Inspector at New York, and to the Japanese Naval Office at Los Angeles, so limited their freedom of action as to render them of small value in obtaining vital information concerning U.S. military and naval activities directed against Japan. In order to improve the situation the Japanese Consul General recommended that a naval officer. disguised as a Consular Clerk, be assigned to the consulates at Los Angeles, San Francisco, Seattle, and New York.
- (d) At the end of September the Japanese Ambassador at Washington pointed out to all Japanese Consuls in the United States that as a result of the conclusion of the German-Italian-Japanese alliance, greatly increased U.S. surveillance of Japanese activities, including tapping of telephone wires, could be expected. Consuls were enjoined to increase the security measures of their offices; to warn all Japanese government agencies, Japanese chambers of commerce, Japanese Associations, and influential Japanese business firms and banks to redouble precautions for security. All of the above Japanese agencies, their personnel, and resident Japanese in general, must be warned to be discreet in making statements, particular caution being exercised in the use of the telephone.
- Attention is again called to the necessity of concentrating on the organization and operation of the subject-named groups.
- The urgency of this matter is such that it is deemed impracticable to forward it by the next available officer courier. The originator therefore authorizes the transmission of this document by registered mail within the continental limits of the United States.
- It is hereby certified that the originator considers it impracticable to phrase this document in such a manner as will permit a classification other than secret.

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W. S. Anderson.

By direction.

DECLASSIFIED Authority MND 803 07-3

CC: F.B.I. M.I.D.